

APPROVED AS TO FORM AND LEGALITY


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS JANANI RAMACHANDRAN AND KEN
HOUSTON AND COUNCIL PRESIDENT KEVIN JENKINS

ORDINANCE AMENDING THE OAKLAND CAMPAIGN REFORM ACT (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.12), TO ADD SECTION 3.12.045 TO TEMPORARILY INCREASE CONTRIBUTION LIMITS FOR CANDIDATES AND TO AMEND SECTION 3.12.150 TO INCREASE OFFICEHOLDER FUND LIMITS AND AMENDING THE LIMITED PUBLIC FINANCING ACT OF 2024 (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.13), TO AMEND SECTIONS 3.13.060 AND 3.13.265 TO EXTEND THE LIMITED PUBLIC FINANCING ACT TO APPLY TO 2026 AND 2028 GENERAL ELECTIONS

WHEREAS, on November 8, 2022, Oakland voters passed Measure W, which, among other things, repealed Oakland Municipal Code (OMC) Chapter 3.13, the Limited Public Financing Act of Oakland and replaced it with OMC Chapter 3.15, the Oakland Fair Elections Act, which established the Democracy Dollars public campaign financing program to make Oakland elections more equitable, accessible and fair; and

WHEREAS, in light of extreme fiscal necessity, the City Council suspended the Charter-mandated minimum budget set asides for the FY 2023-2025 budget cycle for the Democracy Dollars Fund as it was authorized to do and, on July 12, 2023, the Public Ethics Commission voted to postpone the distribution and use of Democracy Dollars vouchers for the November 2024 election cycle; and

WHEREAS, on October 17, 2023, the City Council, through Ordinance 13767, added OMC Chapter 3.13, the Limited Public Financing Act of 2024 to temporarily restore public financing; and

WHEREAS, as set forth in Ordinance 13767 C.M.S., the Council found that the elimination of all public financing for the 2024 election is contrary to the purposes of the Oakland Fair Elections Act and temporary restoration of a limited public financing program for the 2024

election furthers the purposes of the Oakland Fair Elections Act; and that it does so by ensuring some type of public financing remains available while the Democracy Dollars is being established and this public financing furthers the purposes of building fairer elections, preventing corruption or its appearance, ensuring candidates can focus on communicating with all Oakland residents and considering policy issues rather than devoting excessive time to fundraising, ensuring that access to networks of wealthy contributors is not a prerequisite for candidates to run a competitive campaign, ensuring candidates participate in public debates, and ensuring candidates raise enough money to communicate their views and positions adequately to the public; and

WHEREAS, the Limited Public Financing Act of 2024 was to be operative only for the 2024 general election and Council now wishes to extend it to apply to the 2026 and 2028 general elections;

WHEREAS, among other things, Measure W also repealed and reenacted the Oakland Campaign Reform Act, which is set forth in OMC Chapter 3.12; and

WHEREAS, Measure W reduced the contribution limits in the Oakland Campaign Reform Act in OMC sections 3.12.050(A) and 3.12.060(A) to base limits of \$600 and \$1,200, respectively, which, in 2022, were previously \$900 and \$1,800, respectively, following annual adjustments based on increases to the Consumer Price Index (CPI); and

WHEREAS, Measure W also added OMC section 3.12.370, which provides that the City Council “may make any amendments to this Act [the Oakland Campaign Reform Act] that are consistent with its purpose.”; and

WHEREAS, Measure W, which focused on campaign reform, did not amend OMC section 3.12.150, Officeholder Fund, and officeholder fund limits have not been increased since the City Council first passed the Oakland Campaign Reform Act in 1999; and

WHEREAS, the City Council wishes to increase the officeholder fund limits to \$75,000 for District Councilmembers and to \$100,000 for all City-wide offices; and

WHEREAS, the \$75,000 limit for District Councilmembers represents an increase of \$25,000 over what the CPI-adjusted limit would have been if CPI adjustments had been applied and the \$100,000 limit for City-wide offices is slightly lower than what the CPI-adjusted limit would have been if CPI adjustments had been applied; and

WHEREAS, City Charter section 603(h) provides that: “Prior to enacting any amendments to laws that the Commission has the power to enforce, the City Council shall make a finding that the proposed changes further the goals and purposes of the ordinance or program in question and provide specifics substantiating the finding.”; and

WHEREAS, City Charter section 603(h) provides that absent an urgency finding, “amendments to laws that the Commission has the power to enforce [...] shall be submitted to the Commission for review and comment, prior to the passage of the amendments...”; and

WHEREAS, proposed amendments were presented to the Public Ethics Commission for review and comment and, on or about May 21, 2025, and the Commission considered the matter as a properly noticed agenda item at a special meeting of the Commission; and

WHEREAS, the Chair of the Commission presented their comments at the May 22, 2025, Rules & Legislation Committee; and Executive Director of the Commission submitted a letter from the Chair on behalf of the Commission to the City Council on or about May 29, 2025, which the City Clerk has preserved as part of the legislative record for this matter; and

WHEREAS, on May 22, 2025, the Rules & Legislation Committee considered the legislation, heard public comment and voted to forward the legislation to the full Council, subject to receipt of the Commission's comments; and

WHEREAS, the Council has considered the comments submitted to legislative record and any oral comments or presentation provided by the Commission or their representatives regarding this matter at the time this matter is heard upon first and, if applicable, second reading; and

WHEREAS, the City Council finds the proposed addition of section 3.12.045 amending the Oakland Campaign Reform Act to temporarily return the candidate contribution limits to the 2022 base limits until the Council funds the Democracy Dollars program as provided by the Fair Elections Act, Oakland Municipal Code, Chapter 3.15, furthers the purposes of the Oakland Campaign Reform Act by ensuring that all candidates have access to adequate financing, particularly those from marginalized backgrounds without access to heavy backing by independent expenditures, and also by ensuring that all candidates have access to adequate financing in forthcoming elections until Democracy Dollars is fully implemented, which is especially important in light of severe cuts to the Limited Public Financing program due to the City's strained budget situation and also because a path to full funding of the Democracy Dollars program has not yet been established and is not yet known; and

WHEREAS, similar to the Limited Public Financing program, which the Council found was appropriate to reinstate in order to bridge a gap in funding for 2024 candidates, the proposed addition of section 3.12.045 is intended to temporarily to bridge the gap in potential funding sources for candidates due to unavailability of the Democracy Dollars Program and the severe cuts to the Limited Public Financing program; and

WHEREAS, by making this Ordinance effective immediately, it allows candidates fundraising between the passage of this Ordinance and June 30, 2029, when section 3.12.045 sunsets, to take advantage of these temporary higher contributions limits subject to the conditions and requirements set forth therein; and

WHEREAS, the proposed addition of section 3.12.045 properly leaves to the Commission the power to oversee the Democracy Dollars Fund such that the Commission may determine, in its discretion, expertise and judgment, which candidate races will be funded and, as long as a minimum potential funding of \$30,000 per certified candidate per covered office exists, the lower limits set forth in 3.12.050(B) and 3.12.060(B) apply; and

WHEREAS, the proposed addition of section 3.12.045 attempts to maintain uniform general limits as established by Measure W such that for candidates who participate in the Democracy Dollars Program, the temporary higher limits of 3.12.050(A) and 3.12.060(A) apply whenever the Commission projects, that the amount of Democracy Dollars proceeds available for that office will be less than \$30,000 per certified candidate so that, in effect, all candidates for the same office will be subject to the same limits; and

WHEREAS, based on the foregoing and on any comments submitted to legislative record or presented to the Council prior to or at the time this matter is heard upon first and, if applicable, second reading, the City Council finds that the proposed addition of section 3.12.045, which seeks to temporarily increase contribution limits as a stopgap measure due to the lack of Democracy Dollars and Limited Public Financing program funding furthers the purposes identified in OMC section 3.12.030(F), “[t]o ensure that serious candidates are able to raise enough money to communicate their views and positions adequately to the public, thereby promoting public discussion of the important issues involved in political campaigns.” In addition, by allowing candidates to access higher individual contributions, on a temporary basis, to allow them to be more competitive against those candidates with support from independent expenditures, until at least \$30,000 of Democracy Dollars funding is available, the legislation furthers the purpose of 3.12.030 (A), “To ensure that all individuals and interest groups in our City have a fair and equal opportunity to participate in elective and governmental processes.”; and

WHEREAS, based on the foregoing and on any comments submitted to legislative record or presented to the Council prior to or at the time this matter is heard upon first and, if applicable, second reading, the City Council finds that the proposed amendment of section 3.12.150, which seeks to increase officeholder funds for District Councilmembers to \$75,000 and City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) to \$100,000 are consistent with Measure W and further the purposes identified in OMC section 3.12.030(E), (F) and (G). Increasing the limits on officeholder funds allows elected City officials to spend less time fundraising, which creates more time to focus on the issues of importance to their constituents and the community. In light of severe budget limitations, these increases will enable elected City officials more opportunities to dedicate time and funds to issues and events important to their constituents and the community and will thus foster and promote public discussion of the same. Finally, increasing the officeholder fund limits curbs corruption and the appearance of corruption by encouraging transparent and traceable contributions to elected City officials, which may be used for any political, governmental or other lawful purpose except for campaigns and other prohibited uses as set forth in section 3.12.150(C).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them part of this Ordinance.

SECTION 2. The City Council hereby adopts the addition of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.045 of the Oakland Municipal Code, as set forth below (new section number and heading title indicated in **bold type**):

3.12.045. Temporary Contribution Limit Increase for Candidates.

- A. This section shall apply only to a candidate running for City Office that has accepted the voluntary expenditure limits identified in section 3.15.140(A), as adjusted by the increase in the Consumer Price Index under section 3.15.200(A) and who has filed a statement with the Commission on a form approved for such purpose indicating such acceptance.
- B. Effective immediately, the contribution limits to a candidate specified in sections 3.12.050(A) and 3.12.050(B) shall be increased to nine hundred dollars (\$900).
- C. Effective immediately, the contribution limits to a candidate specified in sections 3.12.060(A) and 3.12.060(B) shall be increased to one thousand eight hundred dollars (\$1,800).
- D. Contributions received prior to the effective date of this section, or prior to a candidate accepting the expenditure limits, whichever occurs later, shall be subject to the limits in effect at the time the contribution was made.
- E. If a candidate declines to accept voluntary expenditure limits and receives contributions or makes qualified campaign expenditures equal to fifty percent (50%) or more of the voluntary expenditure limit, or if any person makes one (1) or more independent expenditures totaling more than thirty thousand dollars (\$30,000.00) on a District City Council or School Board Director election, totaling more than fifty thousand dollars (\$50,000) on City Attorney, City Auditor, or At-Large City Council election, or totaling more than one hundred thousand dollars (\$100,000) on a Mayor election, the applicable voluntary expenditure limit shall no longer be binding on any candidate running for the same office.
- F. This section shall not change the contribution limits for officeholder expense funds pursuant to 3.12.150(E). Candidates qualifying for the temporary contribution limit increases set forth in this section may, within one year from the date of their election, redesignate their candidate committee into an officeholder fund, including any funds lawfully raised under the temporary contribution limit increases set forth in this section, so long as the fund balance does not exceed the amount of the total annual contribution limits in Section 3.12.150(A). When such redesignation occurs, existing committee funds shall count against the contribution limits in Section 3.12.150(A). The contribution limits under Section 3.12.150(E) are inapplicable to any existing funds when such redesignation occurs but will apply to subsequent contributions to the officeholder fund.
- G. The increased contribution limits set forth in subsections (B) and (C) above, shall not apply to any City Office for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Office. The Commission shall set the effective date for when the contribution limits for any such impacted City Office shall revert to the limits

specified under sections 3.12.050 and 3.12.060. Any reversion shall be prospective only and shall not require a candidate to return any contribution made prior to the reversion which exceeded the limits specified in sections 3.12.050 and 3.12.060.

- H. Beginning in January of 2027 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limit amounts set forth in subsections (B) and (C) above, by the percent increase, if any, in the Consumer Price Index for the preceding two (2) years, rounding to the nearest fifty dollar (\$50.00) value. The Commission shall use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the most similar successor index. The Commission shall publish the adjusted contribution limits no later than the 1st of February of the year in which the adjustment occurs.
- I. This section will sunset without further Council action on June 30, 2029. Any contributions received after that date shall be subject to the contribution limits specified in sections 3.12.050 and 3.12.060.

SECTION 3. The City Council hereby adopts the amendment of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.150(A) and Chapter 3.13, sections 3.13.060 and 3.13.265 of the Oakland Municipal Code as set forth below (additions are shown in underline; deletions are shown as strikethrough):

3.12.150 - Officeholder fund.

- A. Every elected City official shall be permitted to establish one (1) officeholder expense fund. All contributions deposited into the officeholder expense fund shall be deemed to be held in trust for expenses associated with holding the office currently held by the elected City official. Contributions to the officeholder fund must be made by a separate check or other separate written instrument. Single contributions may not be divided between the officeholder fund and any other candidate committee. For District Councilmembers, ~~City Auditor and School Board Directors~~ total contributions to an officeholder fund shall not exceed ~~twenty-seventy-five thousand dollars (\$7525,000.00)~~ per year in office. For City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) ~~Councilmember At-Large and City Attorney~~, total contributions to an officeholder fund shall not exceed thirtyone hundred thousand dollars (\$10030,000.00) per year in office. For School Board Directors ~~the office of the Mayor~~, total contributions to an officeholder fund shall not exceed twenty-five thousand dollars (\$250,000.00) per year in office.
- B. Expenditures from an officeholder fund may be made for any political, governmental or other lawful purpose, but may not be used for any of the purposes prohibited in Subsections C.1. through 5. of this Section. Such allowable expenditures shall include, but are not limited to, the following categories:

1. Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund;
2. Expenditures for office equipment, furnishings and office supplies;
3. Expenditures for office rent;
4. Expenditures for salaries of part-time or full-time staff employed by the elected City official for officeholder activities;
5. Expenditures for consulting, research, polling, photographic or similar services except for campaign expenditures for any city, county, regional, State or Federal elective office;
6. Expenditures for conferences, meetings, receptions, and events attended in the performance of government duties by (1) the elected City official; (2) a member of the elected City officials' staff; or (3) such other person designated by the elected City official who is authorized to perform such government duties;
7. Expenditures for travel, including lodging, meals and other related disbursements, incurred in the performance of governmental duties by (1) the elected City official, (2) a member of the elected City officials' staff, (3) such other person designated by the elected City official who is authorized to perform such government duties, or a member of such person's household accompanying the person on such travel;
8. Expenditures for meals and entertainment directly preceding, during or following a governmental or legislative activity;
9. Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations, including the purchase of tickets to charitable or civic events, where no substantial part of the proceeds will have a material financial effect on the elected officer, any member of his or her immediate family, or his or her committee treasurer;
10. Expenditures for memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental, legislative or political purpose;
11. Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the elected City official or a member of the elected City official's staff in the performance of his or her governmental responsibilities;
12. Expenditures for advertisements in programs, books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nominations or election of a candidate for City, county, regional, State or Federal elective office;
13. Expenditures for mailing to persons within the City which provide information related to City-sponsored events, school district-sponsored events, an official's governmental duties or an official's position on a particular matter pending before the Council, Mayor, or School Board;
14. Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other persons with whom the elected City official communicates in his or her official capacity;

15. Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions;
16. Expenditures for accounting, professional and administrative services provided to the officeholder fund;
17. Expenditures for ballot measures.

C. Officeholder expense funds shall not be used for the following:

1. Expenditures in connection with a future election for any City, county, regional, State or Federal elective office;
2. Expenditures for campaign consulting, research, polling, photographic or similar services for election to City, county, regional, State or Federal elective office;
3. Membership in any athletic, social, fraternal, veteran or religious organization;
4. Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a City official;
5. Any expenditure that would violate the provisions of the California State Political Reform Act, including Government Code Sections 89506 and 89512 through 89519.

D. No funds may be transferred from the officeholder fund of an elected City official to any other candidate committee.

E. Annual contributions received by or made to the officeholder fund shall be subject to the contribution limitations of Article III of this Act.

~~F. Expenditures made from the officeholder fund shall not be subject to the voluntary expenditure ceilings of Article IV of this Act.~~

3.13.060 - Establishment of public financing program.

A. Subject to an appropriation by the City Council for this purpose, ~~t~~The Public Ethics Commission shall establish and allocate funds for a public financing program, consistent with this chapter, to fund all candidates eligible to receive public financing running for the office of District City Councilmember in the 2024, ~~2026 and 2028~~ general elections.

~~B. The Public Ethics Commission shall allocate a minimum of one hundred fifty-five thousand dollars (\$155,000.00) over the 2023—2025 fiscal years from its discretionary funds to the public financing program.~~

~~B.C.~~ Any unspent funds ~~that the Public Ethics Commission~~ allocated for the public financing program pursuant to Subsection ~~BA.~~ at the end of ~~the a~~ fiscal year ~~2023—2025~~ budget cycle shall remain in a fund administered by the Public Ethics Commission fund and accrue for disbursement to candidates eligible for public financing in future elections and for administrative costs.

~~C.D.~~ Up to seven and one-half percent (7.5%) of the amount allocated to the public financing program pursuant to Subsection ~~BA.~~ may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act.

3.13.265 - Sunset.

A. This Chapter shall be operative for the 2024, 2026 and 2028 general elections only.

B. Notwithstanding subsection A., this Chapter shall not apply to any City Council District election for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Council District office.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, KAPLAN, RAMACHANDRAN,
UNGER, WANG AND PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

3408880v4/SW

NOTICE AND DIGEST

ORDINANCE AMENDING THE OAKLAND CAMPAIGN REFORM ACT (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.12), TO ADD SECTION 3.12.045 TO TEMPORARILY INCREASE CONTRIBUTION LIMITS FOR CANDIDATES AND TO AMEND SECTION 3.12.150 TO INCREASE OFFICEHOLDER FUND LIMITS AND AMENDING THE LIMITED PUBLIC FINANCING ACT OF 2024 (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.13), TO AMEND SECTIONS 3.13.060 AND 3.13.265 TO EXTEND THE LIMITED PUBLIC FINANCING ACT TO APPLY TO 2026 AND 2028 GENERAL ELECTIONS

This Ordinance adds section 3.12.045 to the Oakland Campaign Reform Act, Title 3, Article III, Chapter 3.12 of the Oakland Municipal Code, to temporarily increase the contribution limits set for campaign contributions to candidates and returns to CPI-adjusted limits applicable in 2022 of \$900 and \$1800 from persons and broad-based political committees, respectively, for all candidates, unless the availability of Democracy Dollars funding meets a certain minimum standard. This Ordinance amends section 3.12.150 to increase officeholder fund limits for District Councilmembers to \$75,000 and City-wide offices to \$100,000. This Ordinance also amends sections 3.13.060 and 3.13.265 of the Limited Public Financing Act of 2024, Title 3, Article III, Chapter 3.13 of the Oakland Municipal Code to extend the Limited Public Financing Act to apply to 2026 and 2028 general elections.